

AMENDED IN SENATE MAY 27, 2010  
AMENDED IN SENATE APRIL 28, 2010  
AMENDED IN SENATE APRIL 8, 2010  
AMENDED IN SENATE MARCH 22, 2010

**SENATE BILL**

**No. 1146**

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**Introduced by Senator Florez**

February 18, 2010

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An act to amend Sections 22165 and 22166 of, and to add and repeal Article 3.5 (commencing with Section 22348) of Chapter 2 of Division 9 of, the Financial Code, relating to finance lenders.

LEGISLATIVE COUNSEL'S DIGEST

SB 1146, as amended, Florez. Finance lenders.

Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers by the Commissioner of Corporations and makes a willful violation of its provisions a crime. *Existing law regulates the charges a licensee may impose or receive on loans it makes and authorizes a licensee to contract for and receive specified alternative charges and administrative and delinquency fees.*

This bill, until January 1, 2015, would establish the Pilot Program for Affordable Credit-Building Opportunities for the purpose of increasing the availability of credit-building opportunities to underbanked individuals seeking low-dollar-value loans. The bill would require licensees to file an application with, and pay a fee to, the commissioner to participate in the program. The bill would authorize a licensee approved by the commissioner to participate in the program to impose specified alternative interest rates and charges, including an

administrative fee and delinquency fees, on loans of less than \$2,500, subject to certain requirements. ~~The~~

*This bill would also authorize licensees in the program to use the services of finders, defined as persons who bring licensees and prospective borrowers together for the purpose of negotiating loan contracts. The bill would require a written agreement meeting specified requirements in order for a licensee to use the services of a finder, would establish the services a finder is authorized and required to perform, and would require a finder to comply with the laws applicable to the licensee relative to information security. The bill would require a licensee to notify the commissioner within 10 days of entering into a contract with a finder, would require a licensee to pay an annual finder registration fee to the commissioner, would set forth a specified compensation structure, and would require a licensee to submit an annual report to the commissioner on the licensee's relationship and business arrangements with a finder, as specified. The bill would authorize the commissioner to examine the operations of a licensee and a finder to ensure that the activities of the licensee and the finder are in compliance with these provisions. The bill would make a licensee that uses a finder responsible for a violation of these provisions by a finder or a finder's employee. The bill would authorize the commissioner to terminate a written agreement between a licensee and a finder under specified circumstances and to exclude finders from the program upon a violation of these provisions.*

*This bill would require the commissioner to examine the performance of each licensee in the program at least once every 24 months, and would require the costs of examination to be paid by the licensee to the commissioner, as specified. The bill would require the commissioner to survey borrowers under the program at unspecified cost to the licensees. The bill would require the commissioner to report to specified legislative committees, by January 1, 2014, summarizing utilization of the Pilot Program for Affordable Credit-Building Opportunities, as specified.*

Existing law prohibits a licensed finance lender or broker from using advertising copy after its use has been disapproved by the commissioner and the licensee is notified in writing of the disapproval. Existing law authorizes the commissioner to require a licensee to maintain a file of all advertising copy for a period of 90 days from the date of its use. Existing law regulates the charges a licensee may impose or receive on

~~loans it makes and authorizes a licensee to contract for and receive specified alternative charges and administrative and delinquency fees.~~

This bill would authorize the commissioner to direct any licensee to submit advertising copy for review by the commissioner prior to its use. The bill would authorize the commissioner to require a licensee to maintain a file of all advertising copy for a period of 2 years from the date of its use.

Because a willful violation of these provisions would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 22165 of the Financial Code is amended  
2 to read:

3 22165. No advertising copy shall be used after its use has been  
4 disapproved by the commissioner and the licensee is notified in  
5 writing of the disapproval. The commissioner may by order direct  
6 any licensee to submit advertising copy to the commissioner for  
7 review prior to use.

8 SEC. 2. Section 22166 of the Financial Code is amended to  
9 read:

10 22166. The commissioner may require licensees to maintain  
11 a file of all advertising copy for a period of two years from the  
12 date of its use. The file shall be available to the commissioner upon  
13 request.

14 SEC. 3. Article 3.5 (commencing with Section 22348) is added  
15 to Chapter 2 of Division 9 of the Financial Code, to read:

16  
17 Article 3.5. Pilot Program for Affordable Credit-Building  
18 Opportunities  
19

20 22348. (a) The Pilot Program for Affordable Credit-Building  
21 Opportunities is hereby established and is intended to increase the

1 availability of affordable credit-building opportunities to  
2 underbanked individuals seeking low-dollar-value loans and to  
3 help those individuals move into the financial mainstream.

4 (b) All references in this article to the program shall mean and  
5 refer to the Pilot Program for Affordable Credit-Building  
6 Opportunities.

7 22349. Any licensee wishing to participate in the program,  
8 who is in good standing with the commissioner and has no  
9 outstanding enforcement actions or deficiencies at the time of its  
10 application, shall file an application with the commissioner, in a  
11 manner prescribed by the commissioner, and shall pay a fee to the  
12 commissioner, in an amount calculated by the commissioner to  
13 cover its costs to administer this article.

14 22350. Nothing in this article shall exempt any licensee from  
15 any of the provisions of this division or Section 1632 of the Civil  
16 Code.

17 22351. No licensee may offer or make a loan, nor impose any  
18 charges or fees pursuant to Section 22352, *nor use a finder*  
19 *pursuant to Section 22353*, without prior approval from the  
20 commissioner to participate in the program.

21 22352. (a) Any loan made pursuant to this section shall comply  
22 with the following requirements:

23 (1) Interest on the loan accrues on a simple-interest basis,  
24 through the application of a daily periodic rate to the actual unpaid  
25 principal balance each day.

26 (2) The licensee discloses the following to the consumer in  
27 writing at the time of application:

28 (A) The annual percentage rate, the periodic payment amount,  
29 and the total finance charge, calculated as required by Federal  
30 Reserve Board Regulation Z, as to a loan of an amount and term  
31 substantially similar to the loan applied for by the consumer.

32 (B) That the consumer shall have the right to rescind the loan  
33 by notifying the licensee of the consumer's intent to rescind the  
34 loan and returning the principal advanced by the end of the business  
35 day following the date of the consummation of the loan.

36 (3) The loan has a minimum principal amount upon origination  
37 of two hundred fifty dollars (\$250) and a term of not less than the  
38 following:

39 (A) Ninety days for loans whose principal balance upon  
40 origination is less than five hundred dollars (\$500).

1 (B) One hundred twenty days for loans whose principal balance  
2 upon origination is at least five hundred dollars (\$500), but is less  
3 than one thousand five hundred dollars (\$1,500).

4 (C) One hundred eighty days for loans whose principal balance  
5 upon origination is at least one thousand five hundred dollars  
6 (\$1,500).

7 *(4) The licensee complies with the requirements of any*  
8 *applicable law, including the requirements of Part 433 of Title 16*  
9 *of the Code of Federal Regulations.*

10 (b) As an alternative to the charges authorized by Section 22303  
11 or 22304, a licensee approved by the commissioner to participate  
12 in the program may contract for and receive charges for a loan  
13 made pursuant to this section at a rate not exceeding the sum of  
14 the following:

15 (1) Two and one-half percent per month on that part of the  
16 unpaid principal balance of the loan up to and including, but not  
17 in excess of, one thousand dollars (\$1,000).

18 (2) Two and one-sixth percent per month on that portion of the  
19 unpaid principal balance of the loan in excess of one thousand  
20 dollars (\$1,000).

21 (c) Notwithstanding subdivision (b), a licensee approved by the  
22 commissioner to participate in the program shall reduce the rate  
23 on each subsequent loan to the same borrower by a minimum of  
24 one-twelfth of 1 percent per month, if all of the following  
25 conditions are met:

26 (1) The subsequent loan is originated no more than 180 days  
27 after the prior loan is fully repaid.

28 (2) The borrower was never more than 15 days delinquent on  
29 the prior loan.

30 (3) The prior loan was outstanding for at least one-half of its  
31 original term prior to its repayment.

32 (d) As to any loan made under this section, a licensee approved  
33 by the commissioner to participate in the program may contract  
34 for and receive an administrative fee, which shall be fully earned  
35 immediately upon making the loan, in an amount not in excess of  
36 either 5 percent of the principal amount, exclusive of the  
37 administrative fee, or sixty-five dollars (\$65), whichever is less.  
38 A licensee shall not charge the same borrower more than one  
39 origination fee in any six-month period. An administrative fee  
40 shall not be contracted for or received in connection with the

1 refinancing of a loan unless at least one year has elapsed since the  
2 receipt of a previous administrative fee paid by the borrower. Only  
3 one administrative fee shall be contracted for or received until the  
4 loan has been repaid in full. Section 22305 shall not apply to any  
5 loan made under this section.

6 (e) (1) Notwithstanding subdivision (a) of Section 22320.5, a  
7 licensee approved by the commissioner to participate in the  
8 program may contract for and receive a delinquency fee ~~not in~~  
9 ~~excess of one of the following amounts; that is the lesser of 10~~  
10 *percent of the amount of the delinquent payment due or one of the*  
11 *following amounts:*

12 ~~(1)~~

13 (A) For a period in default of not less than seven days, an amount  
14 not in excess of fifteen dollars (\$15).

15 ~~(2)~~

16 (B) For a period in default of not less than 14 days, an amount  
17 not in excess of twenty dollars (\$20).

18 (2) *Notwithstanding subdivision (a) of Section 22320.5 or*  
19 *paragraph (1) of this subdivision, no licensee under this article*  
20 *shall contract for, charge, or collect a late fee more than twice in*  
21 *any one-month period. For purposes of this paragraph, a*  
22 *one-month period shall mean 30 consecutive days.*

23 (f) The following shall apply to a loan made by a licensee  
24 pursuant to this section:

25 (1) Prior to disbursement of loan proceeds, the licensee shall  
26 either (A) offer a credit education program or seminar to the  
27 borrower that has been previously reviewed and approved by the  
28 commissioner for use in complying with this section; or (B) invite  
29 the borrower to a credit education program or seminar offered by  
30 an independent third party that has been previously reviewed and  
31 approved by the commissioner for use in complying with this  
32 section. The borrower shall not be required to participate in either  
33 of these education programs or seminars.

34 (2) The licensee shall report each borrower's payment  
35 performance to at least one of the three major credit bureaus in the  
36 United States.

37 (3) (A) The licensee shall underwrite each loan to determine a  
38 borrower's ability and willingness to repay the loan pursuant to  
39 the loan terms, and shall not make a loan if it determines, through  
40 its underwriting, that the borrower's total monthly debt service

1 payments, at the time of origination, including the loan for which  
2 the borrower is being considered, and across all outstanding forms  
3 of credit that can be independently verified known to the licensee,  
4 except as indicated in clause (ii) of subparagraph (B), exceed 50  
5 percent of the borrower's gross monthly income.

6 (B) (i) The licensee shall seek information and documentation  
7 pertaining to all of a borrower's current debt service obligations  
8 and verify that information using a credit report from at least one  
9 of the three major credit bureaus and other commercially  
10 reasonable, electronic verification services. The licensee shall also  
11 assess the borrower's income using information from either of the  
12 following: during the loan application and underwriting process.  
13 The licensee shall verify that information using a credit report  
14 from at least one of the three major credit bureaus and also  
15 through other available and reasonably reliable electronic debt  
16 verification services.

17 (ii) In considering the borrower's debt-to-income ratio, the  
18 licensee shall consider and include all reported debt obligations,  
19 except for loans from friends or family members, whether or not  
20 the debt obligation appears on the borrower's credit report or  
21 through other verification services.

22 (C) The licensee shall also verify the borrower's income that  
23 the licensee relies on to determine the borrower's debt-to-income  
24 ratio using information from either of the following:

25 (i) Electronic means or services that provide reasonably reliable  
26 evidence of a borrower's the borrower's actual income.

27 (ii) Internal Revenue Service Form W-2, tax returns, payroll  
28 receipts, bank statements, or other third-party documents that  
29 provide reasonably reliable evidence of a borrower's the  
30 borrower's actual income.

31 (g) (1) Notwithstanding Sections 22311 to 22315, inclusive, no  
32 person, in connection with, or incidental to, the making of any  
33 loan made pursuant to this article, may offer, sell, or require the  
34 borrower to contract for "credit insurance" as defined in  
35 paragraph (1) of subdivision (a) of Section 22314 or insurance on  
36 tangible personal or real property of the type specified in Section  
37 22313.

38 (2) Notwithstanding Sections 22311 to 22315, inclusive, no  
39 licensee, finder, or any other person that participates in the  
40 origination of a loan under this article shall refer a borrower to

1 any other person for the purchase of “credit insurance” as defined  
2 in paragraph (1) of subdivision (a) of Section 22314 or insurance  
3 on tangible personal or real property of the type specified in  
4 Section 22313.

5 ~~(g)~~

6 (h) This section shall not apply to any loan of a bona fide  
7 principal amount of two thousand five hundred dollars (\$2,500)  
8 or more as determined in accordance with Section 22251. For  
9 purposes of this subdivision, “bona fide principal amount” shall  
10 be determined in accordance with Section 22251.

11 22353. (a) A licensee who is approved by the commissioner  
12 to participate in the program may use the services of one or more  
13 finders as provided in this article.

14 (b) For purposes of this article, a “finder” means a person who  
15 brings a licensee and a prospective borrower together for the  
16 purpose of negotiating a loan contract.

17 22354. (a) A finder may perform one or more of the following  
18 services for a licensee:

19 (1) Distributing, circulating, using, or publishing preprinted  
20 brochures, flyers, factsheets, or other written materials relating  
21 to loans that the licensee may make or negotiate and that have  
22 been reviewed and approved in writing by the licensee prior to  
23 their being distributed, circulated, or published.

24 (2) Providing written factual information about loan terms,  
25 conditions, or qualification requirements to a prospective borrower  
26 that has been either prepared by the licensee or reviewed and  
27 approved in writing by the licensee. A finder may discuss that  
28 information with a prospective borrower in general terms, but  
29 may not provide counseling or advice to a prospective borrower.

30 (3) Notifying a prospective borrower of the information needed  
31 in order to complete a loan application without providing  
32 counseling or advice to a prospective borrower.

33 (4) Entering information provided by the prospective borrower  
34 on a preprinted or electronic application form or onto a  
35 preformatted computer database without providing counseling or  
36 advice to a prospective borrower.

37 (5) Assembling credit applications and other materials obtained  
38 in the course of a credit application transaction for submission to  
39 the licensee.



1     (6) *Contacting the licensee to determine the status of a loan*  
2     *application.*

3     (7) *Communicating a response that is returned by the licensee's*  
4     *automated underwriting system to a borrower or a prospective*  
5     *borrower.*

6     (8) *Obtaining a borrower's signature on documents prepared*  
7     *by the licensee and delivering final copies of the documents to the*  
8     *borrower.*

9     (b) *A finder shall not engage in any of the following activities:*

10    (1) *Providing counseling or advice to a borrower or prospective*  
11    *borrower.*

12    (2) *Providing loan-related marketing material that has not*  
13    *previously been approved by the licensee to a borrower or a*  
14    *prospective borrower.*

15    (3) *Interpreting or explaining the relevance, significance, or*  
16    *effect of any of the marketing materials or loan documents the*  
17    *finder provides to a borrower or prospective borrower.*

18    (c) *Any person who performs one or more of the following*  
19    *activities is a broker within the meaning of Section 22004 rather*  
20    *than a finder within the meaning of this section:*

21    (1) *Negotiating the price, length, or any other loan term between*  
22    *a licensee and a prospective borrower.*

23    (2) *Advising either a prospective borrower or a licensee as to*  
24    *any loan term.*

25    (3) *Offering information pertaining to a single prospective*  
26    *borrower to more than one licensee, except that, if a licensee has*  
27    *declined to offer a loan to a prospective borrower and has so*  
28    *notified that prospective borrower in writing, the person may then*  
29    *offer information pertaining to a single prospective borrower to*  
30    *another licensee with which it has a finder's agreement.*

31    (d) *A finder shall comply with all laws applicable to the licensee*  
32    *that impose requirements upon the licensee for safeguards for*  
33    *information security.*

34    22355. (a) *At the time the finder receives or processes an*  
35    *application for a pilot program loan, the finder shall provide the*  
36    *following statement to the applicant, on behalf of the licensee, in*  
37    *no smaller than 10-point type, and shall ask the applicant to*  
38    *acknowledge receipt of the statement in writing:*

1     *“Your loan application has been referred to us by [Name of*  
2 *Finder]. We may pay a fee to [Name of Finder] for the successful*  
3 *referral of your loan application. IF YOU ARE APPROVED FOR*  
4 *THE LOAN, [NAME OF LICENSEE] WILL BECOME YOUR*  
5 *LENDER, AND YOU WILL BE BUILDING A RELATIONSHIP*  
6 *WITH [NAME OF LICENSEE]. If you wish to report a complaint*  
7 *about [Name of Finder] or [Name of Licensee] regarding this*  
8 *loan transaction, you may contact the California Department of*  
9 *Corporations at 1-866-ASK-CORP (1-866-275-2677), or file your*  
10 *complaint online at [www.corp.ca.gov](http://www.corp.ca.gov).”*

11  
12     *(b) If the loan is consummated, the licensee shall mail or give*  
13 *to the borrower a copy of the disclosure notice within two weeks*  
14 *of the date of the loan consummation.*

15     22356. *(a) A finder may be compensated by the licensee*  
16 *pursuant to the written agreement between the licensee and the*  
17 *finder, as described in Section 22357.*

18     *(b) The compensation of a finder by a licensee shall be subject*  
19 *to all of the following requirements:*

20     *(1) No fee shall be paid to a finder in connection with a loan*  
21 *application until and unless that loan is consummated.*

22     *(2) No fee shall be paid to a finder based upon the principal*  
23 *amount of the loan.*

24     *(3) The written agreement between a licensee and a finder shall*  
25 *provide for the following compensation structure:*

26     *(A) For one to five loans issued per month per location, a*  
27 *monthly finder’s fee for that location not to exceed one hundred*  
28 *twenty dollars (\$120).*

29     *(B) For six to 10 loans issued per month per location, a monthly*  
30 *finder’s fee for that location not to exceed three hundred twenty*  
31 *dollars (\$320).*

32     *(C) For 11 to 15 loans issued per month per location, a monthly*  
33 *finder’s fee for that location not to exceed five hundred twenty*  
34 *dollars (\$520).*

35     *(D) For 16 to 20 loans issued per month per location, a monthly*  
36 *finder’s fee for that location not to exceed seven hundred twenty*  
37 *dollars (\$720).*

38     *(E) For 21 to 25 loans issued per month per location, a monthly*  
39 *finder’s fee for that location not to exceed nine hundred twenty*  
40 *dollars (\$920).*

1 (F) For 26 to 30 loans issued per month per location, a monthly  
2 finder's fee for that location not to exceed one thousand one  
3 hundred twenty dollars (\$1,120).

4 (G) For 31 to 35 loans issued per month per location, a monthly  
5 finder's fee for that location not to exceed one thousand three  
6 hundred twenty dollars (\$1,320).

7 (H) For 36 to 40 loans issued per month per location, a monthly  
8 finder's fee for that location not to exceed one thousand five  
9 hundred twenty dollars (\$1,520).

10 (I) For 41 to 45 loans issued per month per location, a monthly  
11 finder's fee for that location not to exceed one thousand seven  
12 hundred twenty dollars (\$1,720).

13 (J) For 46 to 50 loans issued per month per location, a monthly  
14 finder's fee for that location not to exceed one thousand nine  
15 hundred twenty dollars (\$1,920).

16 (K) For 51 to 74 loans issued per month per location, a monthly  
17 finder's fee for that location not to exceed two thousand forty  
18 dollars (\$2,040).

19 (L) For 75 or more loans issued per month per location, a  
20 monthly finder's fee for that location not to exceed three thousand  
21 dollars (\$3,000).

22 (c) No licensee shall, directly or indirectly, pass on to a  
23 borrower any fee, or any portion of any fee, that the licensee pays  
24 to a finder in connection with that borrower's loan or loan  
25 application.

26 22357. A licensee that utilizes the service of a finder shall do  
27 all of the following:

28 (a) Notify the commissioner within 10 days of entering into a  
29 contract with a finder, on a form acceptable to the commissioner,  
30 regarding all of the following:

31 (1) The name and business address of the finder.

32 (2) The name and contact information for an employee of the  
33 finder who is knowledgeable about, and has the authority to  
34 execute, the contract governing the business relationship between  
35 the finder and the licensee.

36 (3) The name and contract information for one or more  
37 employees of the finder who is or are responsible for the activities  
38 of the finder at each of its branch locations.

39 (4) A list of the activities the finder shall perform on behalf of  
40 the licensee.

1     (5) Any other information requested by the commissioner.

2     (b) Pay an annual finder registration fee to the commissioner  
3     in an amount to be established by the commissioner by regulation  
4     for each finder utilized by the licensee.

5     (c) Submit an annual report to the commissioner including any  
6     information pertaining to each finder and the licensee's  
7     relationship and business arrangements with each finder as the  
8     commissioner may by regulation require.

9     22358. All arrangements between a licensee and a finder shall  
10    be set forth in a written agreement between the parties. The  
11    agreement shall contain a provision establishing that the finder  
12    agrees to comply with all regulations that are established by the  
13    commissioner pursuant to this article regarding the activities of  
14    finders and that the commissioner shall have access to all of the  
15    finder's books and records that pertain to the finder's operations  
16    under the agreement with the licensee.

17    22359. (a) The commissioner may examine the operations of  
18    each licensee and each finder to ensure that the activities of the  
19    licensee and the finder are in compliance with this article. The  
20    costs of the commissioner's examination of each finder shall be  
21    attributed to the commissioner's examination of the licensee. Any  
22    violation of this article by a finder or a finder's employee shall be  
23    attributed to the finance lender with whom it has entered into an  
24    agreement for purposes of determining the licensee's compliance  
25    with this division.

26    (b) Upon a determination that a finder has acted in violation  
27    of this article, or any implementing regulation, the commissioner  
28    shall have the authority to terminate a written agreement between  
29    a finder and a licensee, and, if the commissioner deems that action  
30    in the public interest, to bar the use of that finder by all licensees  
31    accepted to participate in the pilot program.

32    ~~22353.~~

33    22360. Notwithstanding any other provision of law, the  
34    commissioner shall examine each licensee that is accepted into  
35    the program at least once every 24 months. The cost of each  
36    examination of a licensee shall be paid to the commissioner by the  
37    licensee examined, and the commissioner may maintain an action  
38    for the recovery of the cost in any court of competent jurisdiction.  
39    In determining the cost of the examination, the commissioner may  
40    use the estimated average hourly cost for all persons performing

1 examinations of licensees or other persons subject to this division  
2 for the fiscal year.

3 ~~22354.~~

4 22361. (a) On or before January 1, 2014, the commissioner  
5 shall submit a report to the Senate Committee on Banking, Finance  
6 and Insurance, the Assembly Committee on Banking and Finance,  
7 and the Senate and Assembly Committees on Judiciary, in  
8 compliance with Section 9795 of the Government Code,  
9 summarizing utilization of the Pilot Program for Affordable  
10 Credit-Building Opportunities and including recommendations  
11 regarding whether the program should be continued after January  
12 1, 2015.

13 (b) The information disclosed to the commissioner for the  
14 commissioner's use in preparing the report described in this section  
15 is exempted from any requirement of public disclosure by  
16 paragraph (2) of subdivision (d) of Section 6254 of the Government  
17 Code.

18 (c) The report required pursuant to this section shall include,  
19 but not be limited to, the following:

20 (1) The number of finance lender licensees who applied to  
21 participate in the program.

22 (2) The number of finance lender licensees accepted to  
23 participate in the program.

24 (3) The number of program loan applications received by lenders  
25 participating in the program, the number of loans made pursuant  
26 to the program, and the distribution of interest rates and principal  
27 amounts upon origination among those loans.

28 (4) The number of borrowers who obtained more than one  
29 program loan.

30 (5) Of the number of borrowers who obtained more than one  
31 program loan, the percentage of those borrowers whose credit  
32 scores increased between successive loans, based on information  
33 from at least one major credit bureau, and the average size of the  
34 increase.

35 (6) The number of borrowers who obtained at least one program  
36 loan and who resided in a low-to-moderate-income census tract at  
37 the time of their loan application.

38 (7) The number of borrowers who obtained loans for the  
39 following purposes, based on borrower responses at the time of

1 their loan applications indicating the primary purpose for which  
2 the loan was obtained:

- 3 (A) Medical.
- 4 (B) Other emergency.
- 5 (C) Vehicle repair.
- 6 (D) Vehicle purchase.
- 7 (E) To pay bills.
- 8 (F) To consolidate debt.
- 9 (G) To build or repair credit history.
- 10 (H) To finance a purchase of goods or services other than a  
11 vehicle.
- 12 (I) Other.

13 (8) The number of borrowers who have a bank account, the  
14 number of borrowers who have a bank account and use  
15 check-cashing services, and the number of borrowers who do not  
16 have a bank account.

17 (9) *The number of finders used by all licensees.*

18 (10) *The number of times the commissioner found that a finder  
19 had violated this article.*

20 (11) *The number of times that the commissioner terminated a  
21 written agreement between a finder and a licensee.*

22 (12) *The number of times that the commissioner barred the use  
23 of a finder by all licensees.*

24 ~~(9)~~  
25 (13) Recommendations for improving the program.

26 ~~(10)~~  
27 (14) Recommendations regarding whether the program should  
28 be continued after January 1, 2015.

29 (d) *The commissioner shall conduct a sample survey of  
30 borrowers who have participated in the program to better  
31 understand the borrower experience. No licensee shall be  
32 responsible for more than \_\_\_\_ dollars (\$\_\_\_\_) for the costs of  
33 that survey.*

34 ~~22355.~~  
35 22362. This article shall remain in effect only until January 1,  
36 2015, and as of that date is repealed, unless a later enacted statute,  
37 that is enacted before January 1, 2015, deletes or extends that date.

38 SEC. 4. No reimbursement is required by this act pursuant to  
39 Section 6 of Article XIII B of the California Constitution because  
40 the only costs that may be incurred by a local agency or school

1 district will be incurred because this act creates a new crime or  
2 infraction, eliminates a crime or infraction, or changes the penalty  
3 for a crime or infraction, within the meaning of Section 17556 of  
4 the Government Code, or changes the definition of a crime within  
5 the meaning of Section 6 of Article XIII B of the California  
6 Constitution.

O